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# Seychelles: President Rene Strives for Stability

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An Intelligence Assessment

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ALA 85-10070  
July 1985

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## **Seychelles: President Rene Strives for Stability**

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**An Intelligence Assessment**

This paper was prepared by [ ] Office  
of African and Latin American Analysis, with a  
contribution from [ ] Office of  
Central Reference. It was coordinated with the  
Directorate of Operations. [ ]

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## Seychelles: President Rene Strives for Stability

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### Key Judgments

*Information available  
as of 1 July 1985  
was used in this report.*

25 President Rene's considerable political skills have enabled him to survive numerous challenges to his position since he assumed power in a coup in 1977. With the help of security assistance and foreign troops from Communist states, the regime has endured several coup scares, an invasion by mercenaries, and a mutiny by the Army. We judge, however, that antigovernment demonstrations and plotting last year—the so-called 30 September crisis—highlighted for Rene the depth of domestic opposition to his regime and prompted him to reassess his strategy for holding on to power. [ ]

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10 Rene continues to rely on Soviet and North Korean help to bolster his internal security forces, but he is working also to create an image of nonalignment and political moderation to encourage desperately needed Western economic aid and tourism. Seychelles is heavily dependent on Western tourists, who provided 26 percent of the country's GDP in 1984. Rene's commitment to expanding popular social services and implementing an ambitious five-year development plan will make him even more dependent on Western economic support. [ ]

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24 We believe that the disgruntled military poses the most immediate threat to Rene as he seeks to deal with the West despite his fundamental security dependence on the East. US Embassy reporting indicates that Rene's failure to respond to junior officers' complaints about the corruption and incompetence of the five senior officers who brought him to power is undermining military morale and loyalty to the President and may have prompted the coup plotting last September and, more recently, in May.

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4 The US Embassy reports that Rene's inability or unwillingness to constrain a major power struggle between Defense Minister Berlouis and Army Chief of Staff Michel for control of the security establishment is eroding public confidence in the security forces and tarnishing Rene's leadership credentials.

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- Rene also must contend with growing public disaffection. Attempts to move toward a more centralized economy are arousing popular resentment at government interference in local business affairs. Public criticism is growing over the declining quality of education and intensive political indoctrination directed at students who attend the state-run education camps. According to US Embassy reporting, many Seychellois fear that
- 16 Rene's socialist policies and the regime's perceived close identification with the Soviet Union will eventually lead to Communism in Seychelles.
  - 18 Charges by the highly influential Catholic Church that the Rene regime is creating a police state also have heightened public tensions.

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10 For the near term, we believe Rene will be able to manage these pressures. Despite his ideological affinity with the East, Rene probably will be constrained from identifying more openly with Moscow by popular anti-Soviet sentiment and Seychelles' dependence on Western economic assistance. In particular, Rene depends on the continued operation of the US Air Force satellite tracking station to provide at least 7 percent of the country's GDP, and he believes it provides legitimacy to his claims of nonalignment. We believe he is unlikely to allow Moscow any major inroads that, in his view, would prompt the United States to relocate the facilities when the present lease expires in 1990. Although Rene has often stated he would not allow any foreign power to establish its own military base in Seychelles, we believe he may grant Moscow expanded access to local facilities in return for increased security assistance.

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25 If Rene miscalculates the extent to which he can deal with both the East and the West to fulfill his security and economic requirements, we believe he risks undermining his own position and prompting the military to seize power. We believe that a successful coup by disgruntled junior officers would result in a regime especially vulnerable to Soviet meddling. A coup by senior officers, on the other hand, would most likely install a regime headed by Defense Minister Berlouis that probably would seek a balance between East and West. Least likely, but still plausible, would be the emergence of an avowedly pro-Western government led by the currently exiled civilian opposition if Rene were removed from power by assassination or mercenary invasion.

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## Seychelles: President Rene Strives for Stability

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### Introduction

President France Albert Rene was reelected to a second consecutive five-year term in Seychelles' one-candidate elections in June 1984. His political standing has declined over the past year, and he must resolve an array of political, economic, and military difficulties if he is to maintain his position, according to US Embassy reporting. This paper examines the challenges that Rene faces and his attempts to stabilize his hold on power. The paper also discusses the implications of his relations with both the West and the East on the primary interests of the United States in Seychelles: the continued operation by the US Air Force of the satellite tracking station on the main island; prevention of further expansion of Soviet political influence; and denial of Soviet military access to the island's port and air facilities.

of his regime is the disgruntled military.

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the regime's deteriorating relations with the military stem primarily from unresolved grievances of junior and noncommissioned officers, mostly over the conduct of the five senior officers who had helped bring Rene to power in a coup in 1977. The Army mutiny in 1982, for example, was led by junior officers to protest lack of promotions and the incompetence and brutality of the senior officers, according to Embassy reports. For his part, however, we believe Rene has been reluctant to move against the senior officers—for example, to eliminate the potential for graft—because he fears he would be overthrown. In a bid to improve their own lot, several junior officers plotted to exploit last September's antigovernment demonstrations to seize power, according to US Embassy reporting. Rene preempted a coup attempt by detaining the leaders of the demonstration, however, and drastically reduced popular attendance at the rally by a show of loyal military force. More recently, sources of the US Embassy report that several soldiers were arrested in late May for conspiring to assassinate Rene, but Embassy officials report that the actual threat posed to Rene was minimal.

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### Mounting Domestic Pressures

We believe that power struggles in the Cabinet, disarray in the country's sole political party, and the troubled economic situation are undermining popular support for the regime. Furthermore, the US Embassy reports that the highly personalized nature of Seychelles politics, in which factions develop around prominent political and military figures, is growing more pronounced, particularly within the armed forces, and is eroding government unity. The antigovernment demonstrations and coup plotting last September—in which segments of the military were involved, according to the Embassy, have focused Rene's attention on growing popular sentiment against his pro-Soviet policies. The US Embassy reports that Rene also is becoming concerned that criticisms from the highly influential Catholic Church over his human rights record will further undermine his leadership.

The potential for regime-threatening discord is not limited to junior and noncommissioned officers. The security establishment, like other institutions in Seychellois society, is highly personalized.

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### Military Unrest

Of all the problems the President now faces, we believe that the most immediate threat to the stability

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*Economic grievances, the disappearance of an anti-r regime activist, and a series of foreign press articles highlighting the growing Soviet presence in Seychelles contributed to rising domestic tension in the late summer of 1984. Influential church leaders added their voice with sermons protesting human rights violations. According to US Embassy sources, the unrest led to plans for a civil demonstration involving as many as 2,000 marchers in downtown Victoria after the scheduled radiobroadcast of Sunday church services on 30 September.*

The US Embassy reports that elements of the military planned to capitalize on the demonstration to foment a general uprising.

Furthermore, plans for exploiting the demonstration were not kept secret; the US Embassy reports that, as early as four days before the event, the Anglican archbishop learned of a plan to seize the microphone during the church services and call for a change in government. Rene responded by informing church leaders on 29 September that there would be no radiobroadcast of Sunday services, placed a ban on all demonstrations, and had the leaders of the would-be demonstrations arrested early Sunday morning. The plotters lacked an alternative plan for a coup attempt once the demonstrations were canceled.

The actual forces intending to stage the coup were probably quite small and hopelessly outgunned by loyal Army and police units Rene stationed in Victoria as a precaution on Sunday. We believe that this show of force by Rene was sufficient to intimidate the plotters, particularly since many of their leaders probably were included among those detained hours before the planned events. The US Embassy reports that no more than 100 people protested against the Soviet and North Korean presence in Seychelles on that Sunday. The disappointing turnout was much too small for those coup plotters still at large to exploit, and they did not follow through with their plan. Police loyal to Rene, backed by Army troops stationed in the city, arrested 38 protesters. [ ]

According to US Embassy reporting, the plotters then planned to arrest Rene and other government leaders, take control of the radio station, and appeal for "Western assistance" in toppling the government.

*We believe that, while Rene probably did not have foreknowledge of the plot, he almost certainly was alerted to the potential for unrest at an early stage after his efficient intelligence service detected the widespread rumors of the planned demonstration.*

Even if the plotters had succeeded in arresting Rene and capturing the radio station, they apparently lacked any followup plan for action. We have no evidence to suggest they were likely to receive "Western assistance" once they made their appeal. Any likely leadership the plotters may have hoped to install was probably based in London—headquarters of the dissident Mouvement Pour la Resistance—and would not have been able to assume immediate and effective control of the government. [ ]

[redacted] The US Embassy reports that  
the President probably can rely on the unquestioned  
loyalty of only two of the five senior officers who

installed him, while the other three are either loyal to Berlous or probably would back him in a conflict with Rene.

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4 Rene, undoubtedly aware of divided loyalties in the Army, has long regarded Berlouis, a black, as his greatest rival for power. The US Embassy reports that Rene fears that Berlouis might use his influence in the Army to rally disgruntled troops against the regime. According to Embassy reporting, however, Berlouis' cautious and opportunistic nature suggests that he is more likely to hedge his bets both by publicly supporting Rene and covertly encouraging opposition elements in the military. [ ]

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4 [ ] Despite Berlouis' efforts to gain the confidence of Rene, he was slow to react to the threat of the 30 September demonstrations, according to the Embassy. This almost certainly has fueled Rene's suspicions of his Defense Minister's involvement in antiregime activity. [ ]

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25 We believe that Rene's doubts over the loyalty of the Army and his apparent unwillingness to resolve longstanding grievances of junior officers are contributing to the growing disaffection in the military and further undermining its support for the government. Furthermore, on the basis of Embassy reporting, we judge that the President's growing dependence on a display of foreign military support for his regime reflects his lack of confidence in the capability of the armed forces to both defend the regime and deter potential opponents. US Embassy officials note that Soviet naval ships, for example, often call at Victoria during periods of domestic tension or Rene's absence abroad. Tanzanian troops, stationed in Seychelles during 1979-84, were instrumental in turning back the 1981 mercenary invasion as well as quashing the 1982 Army mutiny. North Korean military advisers, stationed in Seychelles since April 1983, guard the airport in addition to their training duties. [ ]

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#### Political Power Struggles

5 The military is not the only potential source of instability, in our view. US Embassy reporting suggests that Rene's failure to resolve longstanding power struggles—even within his own Cabinet—has increased internal tensions. Embassy reporting further indicates that political infighting has been carried over to the single political party, the Seychelles People's Progressive Front—where most government

officials also hold key party posts—undermining further Rene's leadership and lowering morale of party members. [ ]

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**The Cabinet.** We believe Rene has tolerated or even encouraged rivalries among ambitious Cabinet members to help maintain his hold on power. US Embassy reporting indicates that, although most of Rene's key Cabinet advisers espouse a leftist ideology, some, including former Foreign Minister Maxime Ferrari, advocate close economic ties to the West. The US Embassy regards them as being more moderate than avowed Marxists such as Development Minister Jacques Hodoul and Education Minister James Michel, who have long opposed the presence of the US Air Force satellite tracking station. The Embassy attributes Ferrari's June 1984 departure from the Cabinet, and later his self-exile, to his frustration over unresolved power struggles. Despite the loss of the Cabinet's leading moderate, Rene generally has been able to maintain a balance between the more radical left faction and the much smaller moderate faction while retaining final authority in government affairs by assigning ministers crosscutting responsibilities, according to US Embassy reporting. During a month-long absence abroad last summer, for example, Rene appointed a governing triumvirate of Berlouis, Hodoul, and Michel—longtime personal rivals—to lessen the chances that they could move against him. [ ]

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6 US Embassy reporting indicates that political infighting intensified further during and immediately following the 30 September crisis when Rene, uncertain about whom to trust, secluded himself for several days at his residence. Michel—who also serves as Army Chief of Staff—had taken advantage of Berlouis' slow response to the demonstrations and preempted the Defense Minister by assuming command of the police and Army units stationed in Victoria. Michel's action added to tensions in the Cabinet, according to the Embassy account, and precipitated a major power struggle with Berlouis for control in the security establishment. [ ]

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4 The Michel-Berlouis tiff has gone beyond Cabinet-level rhetoric to undermine critical elements of Seychelles society, such as the police force. For example, the Embassy reports that, in an effort to enhance their influence and garner favor with Rene, both Michel and Berlouis exerted pressure on police officials to conduct illegal activities. [redacted]

Cooperation among party officials has declined markedly since last September. [redacted]

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[redacted] The US Embassy reports that party morale is deteriorating as rivalries between officials take precedence over efforts to mediate between party factions and because of waning popular support amid growing public criticism of many of the party's political and economic initiatives and of Rene's inability to instill unity. Rene, in turn, has attempted to deflect criticism of his leadership by shifting to party ideologue Hodoul the blame for the party's declining popular support. [redacted]

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#### A Troubled Economy

Seychelles faces a variety of economic difficulties, some of which are perpetuated by the country's massive dependence on the fluctuating tourist industry and by persistent current account deficits. For example, after the construction of the international airport on the main island of Mahe in 1971, Seychelles authorities opted to emphasize development of tourism over what had been the traditional but less productive mainstays of the economy—agriculture, fishing, and forestry. During the late 1970s, the economy grew at about 10 percent annually because of the burgeoning tourist industry and the resulting boom in related construction activities, which were financed largely through foreign development assistance. Tourism peaked in 1979 when 79,000 arrivals accounted for 36 percent of GDP and 54 percent of foreign exchange earnings [redacted]

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**The Party.** US Embassy reporting indicates that, because Cabinet officials also hold executive positions in the Seychelles People's Progressive Front—the country's sole legal party since 1979—Rene has been able to take advantage of internal rivalries carried from the Cabinet over to the party hierarchy to further consolidate his position. The President, for example, moved to strengthen his personal control over party affairs by engineering his election as secretary general at the party congress last June. In addition to assuring his own election, Rene, according to the US Embassy, chose Michel as party deputy secretary general over Berlouis, who is black but a nondoctrinaire socialist, and Hodoul, who is white, because both Michel's race (black) and ideology (Marxist) would widen Rene's appeal among the proleft majority of the predominantly black party rank and file. Moreover, the Embassy reports that Rene can more easily manipulate Michel than he can Berlouis and Hodoul. Embassy reporting indicates, however, that the three men continue to use their party executive committee positions to carry on their personal bickering and develop sources of influence. [redacted]

In contrast, [redacted] during 1980-83 the economy contracted at an average annual rate of about 3 percent, largely from a drop in tourist arrivals because of the recession in Europe—Seychelles' primary tourist market. Other factors, including higher airfares, mismanagement of tourist facilities, and a growing reputation for political instability following the 1981 mercenary invasion attempt, also reduced the flow of tourists, according to US Embassy reporting. [redacted]

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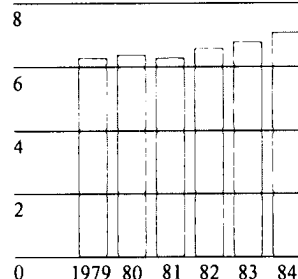
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**Figure 2**  
**Seychelles: Economic Indicators** 10

Note scale change

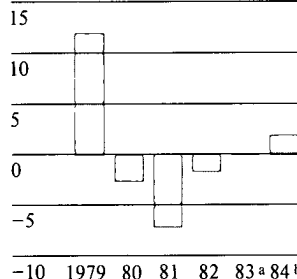
Exchange Rate

Rupees/US \$



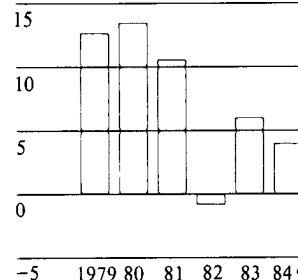
Real GDP Growth

Percent change



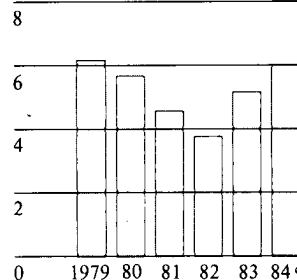
Consumer Prices

Percent change



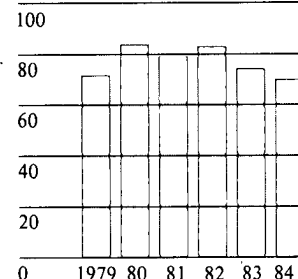
Merchandise Exports

Million US \$



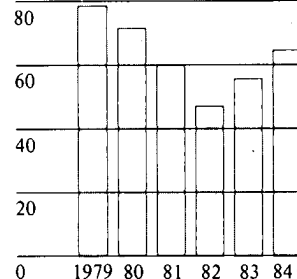
Merchandise Imports

Million US \$



Tourist Arrivals

Thousands



a Government of Seychelles' estimate.

b CIA estimate.

c Projected.

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Aggressive marketing of cutrate vacation packages resulted in a turnaround in 1984, according to IMF statistics, when a miniboom in tourism attracted some 65,000 visitors—compared to 47,000 in 1982. Tourism revenues for the year climbed back up to the equivalent of 26 percent of GDP compared to 23 percent in 1982. Overall earnings per visitor remained fairly low because of the relatively low cost of packaged tours, but the revenues stimulated the 2-percent growth in GDP in 1984, according to US Embassy reporting. Nonetheless, largely because of the weak tourism sector, per capita GDP has declined by 15 percent since 1979. 25X1

Tourism is not the only sector that has slumped in recent years. Growth in the agriculture sector, the leading export industry, is hampered both by limited physical resources and government policies. Less than one-half of the land is suitable for crop production, according to US Embassy reporting, while poor roads, inadequate water supplies for rural communities, scarce credit for farmers, and the high cost of farm implements also have constrained agricultural production. In addition, the government's decision to concentrate on the promotion of tourism siphoned labor away from the agriculture sector. The US Embassy reports that, between 1982—when the share of agricultural production in total GDP was at an alltime low of 6 percent—and 1984, the volume of traditional exports such as copra, cinnamon, tea, and tobacco had increased only modestly. 25X1

Fishing, like agriculture, is a leading export industry, but remains largely underdeveloped even though Seychelles claims an exclusive economic maritime zone encompassing about 1.3 million square kilometers of prime tuna-fishing waters. The US Embassy observes that Seychelles lacks the resources and adequate port facilities to boost fish exports substantially, and the Seychelles' high fish consumption cuts further into the export potential. Most of the fishing in Seychelles waters is conducted by foreign fishing fleets, only some of which are licensed, generating minimal revenues for the government. 25X1

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Besides the slow growth of the domestic economy, Seychelles' external finances are troublesome. The large current account deficit is becoming a serious problem for the regime, according to US Embassy reporting, because Seychelles must import virtually all commodities to cater to the tourists and provide many basic foodstuffs for the local population. Although the modest recovery in tourism earnings and the imposition of government import controls have narrowed the deficit sharply over the past two years, the IMF estimates that the current account still stood \$30 million in the red in 1984—equivalent to 20 percent of GDP. External capital inflows—mainly commercial and official loans to the Seychelles Government—have been insufficient to close the gap over the past several years, and gross foreign exchange reserves have fallen steadily since 1980.

foreign exchange reserves at year end 1984 were sufficient to cover imports for only one month, in contrast to over two months in 1980.

In our judgment, most of Seychelles' economic problems are of its own making. Based on our assessment of the government's economic policies, we believe Rene's attempts since 1980 to enhance the state's control of the tourism, commodities, and transport sectors of the economy have impeded economic growth. Since the early 1980s, 30 state enterprises have been established in agriculture, fishing, manufacturing, and commerce, and US Embassy officials say that most are poorly organized and mismanaged. At least some private landholdings have been converted into state-run farms and cooperatives, but we do not know on what scale this is happening. Several foreign- and domestic-owned tourist facilities have been nationalized—without compensation thus far—because these properties ostensibly did not maintain government standards, according to US Embassy officials. The growth of state enterprises and the series of uncompensated nationalizations have alarmed Western investors, according to the Embassy, and created a lack of confidence in the government among private businessmen. The Embassy reports that as a result many businessmen are transferring profits abroad, which contributes further to the current account deficit.

Deteriorating economic conditions have undermined the financial base of Seychelles' extensive social services—free education and health care, subsidized housing, and employment assistance—instituted during the relatively prosperous 1970s. US Embassy reporting indicates that popular expectations remain high that the government will continue these services to help offset the impact of the country's declining economy on living standards. Unemployment is becoming a serious problem, however, and Seychelles Government studies indicate that the regime must generate several thousand new jobs over the next few years to reduce Seychelles' 15-percent unemployment rate, the highest ever.

#### Public Disaffection

According to US Embassy reporting, Rene was surprised and badly shaken at discovering the extent of public disaffection with the regime in the aftermath of the 30 September crisis. The Embassy adds that many popular grievances stem from public fears that Rene's socialist policies will lead to the introduction of a full-blown Marxist-Leninist economic and political system in Seychelles. Moves to centralize the economy, such as establishing the state-run board to control all import activity, are viewed by the populace as an indication of Seychelles' close political identification with Communist nations and as a departure from its nonaligned status. The trend toward increased centralization also has heightened domestic discontent by generating popular resentment at government interference in the local economy. The state-run media—popularly referred to as "Radio Television Sovietique," according to US Embassy officials—has been criticized for biased reporting in international affairs. A series of negative articles in the foreign press last summer, highlighting the disproportionately large Soviet diplomatic presence in Seychelles, reinforced popular anti-Soviet sentiment, culminating in the public demonstrations on the day of the planned coup attempt, according to the Embassy.

Public disaffection encompasses not only economic grievances and anti-Soviet sentiment, but also extends to the National Youth Service (NYS), a cornerstone

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 of Rene's blueprint for developing socialism in Seychelles. The NYS was developed in early 1981 as a voluntary education system providing students 15 to 17 years old with two years of academic and vocational instruction in addition to heavy doses of political indoctrination. Attendance at the NYS camps, most of which are located on one of the country's smaller islands, is a prerequisite for those students who wish to go on to further studies at Seychelles' secondary education institutions. Despite the social and political advantages of attending the NYS, the US Embassy reports growing parental and student criticism over the quality of the education, intensive political indoctrination, and enforced separation of children from parents. 6 US Embassy officials also say that, as a result of last year's demonstrations and the party's inability to rally popular support for the regime, many youths attending the NYS have begun questioning the merits of socialism. [ ]

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 In contrast to the declining popular appeal of the government and the party, we believe that the church, representing a population that is 90 percent Catholic and 8 percent Anglican, is emerging as the single most influential social institution. In a political system that provides for no legal means to express antigovernment criticism, religious leaders traditionally have used church forums to express popular discontent. The Catholic Bishop of Victoria has repeatedly challenged Rene to respond to charges of government complicity in the deaths and unexplained disappearances of antiregime activists, according to US Embassy reporting. The church also has accused the government of using police-state tactics—such as censoring church broadcasts and denying access to young parishioners at the NYS camps—to reduce its influence. In addition, the bishop has indirectly fanned popular anti-Soviet sentiment by publicizing the large Soviet diplomatic presence, according to the US Embassy. 18  
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### Rene's Response

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 In our view, Rene's moves since last September reflect his apparent conviction that his hold on power depends on his ability to obtain simultaneously Western economic assistance and Eastern security support. We believe that public dissatisfaction with the regime's

perceived pro-Soviet political orientation and the troubled economic situation have prompted Rene to project a more moderate political image to try to gain the confidence of both the populace and the West. At the same time, Rene's suspicion of military involvement in the coup plot has heightened his longstanding distrust of his armed forces, and his concern for the stability of his government has reinforced his inclination to look to Communist nations for increased military support. [ ]

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### Creating a New Image

International Image. We believe that, in an effort to solicit additional Western economic assistance, Rene is seeking to project an image of greater nonalignment and to reassure the West—the United States in particular—that he will accommodate Western interests in Seychelles. Rene probably believes that his nonaligned image will be greatly enhanced if he can obtain a commitment from the United States to extend the presence of the US Air Force satellite tracking station well into the coming decade. Despite the objections of Michel and Hodoul to making his intentions known, Rene told US Embassy officials last November that he is willing to renegotiate the terms of the lease beyond the current 1990 expiration date. 19 He may press, however, for a substantial rent increase of at least twice the annual \$2.5 million, according to US Embassy reporting. [ ]

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 The US Embassy reports Rene was stung sharply by a series of foreign press articles last summer that exaggerated the extent of East Bloc and North Korean influence in Seychelles. Embassy officials say that Rene was most concerned that speculative press reports alleging Soviet intent to establish military facilities would have a detrimental impact on the recovering tourism industry and on prospects for offers of increased Western economic assistance. Rene hosted an international press conference last November, where he cited as evidence of Seychelles' nonaligned status his decision to renegotiate the lease for the US Air Force facilities and his consistent refusal to allow any foreign power to establish military bases on Seychelles soil. The US Embassy reports that, although Rene generally responded openly to most 20

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**Rene and Socialism in Seychelles**

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33 France Albert Rene, 48, is white, of French descent. He is a former student for the priesthood who later renounced Catholicism. He went on to study political science and economics at the London School of Economics and obtained a law degree from the Middle Temple in London. While in London in 1963, Rene established and presided over the Seychelles People's United Party (SPUP)—a socialist political organization advocating Seychelles' independence from the United Kingdom. Rene formed a coalition with James Mancham and his pro-West Seychelles Democratic Party in 1975, when Seychelles was granted complete internal self-government. One year later, Rene became Prime Minister; and Mancham, President of the newly independent Republic of Seychelles. Despite efforts to maintain a semblance of political unity, Rene and Mancham continued to hold diametrically opposing ideological views that fueled their longstanding political rivalry. [ ]

humanism, nationalism, idealism, and pragmatism rather than an emulation of any particular foreign socialist model. He viewed Mancham's free market economic policies in the postindependence period as harmful to Seychelles' political development by increasing social tensions among the racially diverse population, and has sought to establish what he regards as a more egalitarian, worker-oriented state. 34  
Indeed, many of his early policy initiatives—free schooling and health care, subsidized housing, and land redistribution—proved highly popular. In Rene's view, the SPPF, as the country's single legal party, helps to promote internal unity by serving as the foundation for a political system evolving from widespread popular participation. The SPPF, is tasked with mobilizing popular support for socialism and does this through mass organizations for youth, women, and workers. The party also provides guidelines for the media and oversees the government's development of a centralized economy. [ ] 35

25X1 In June 1977, 60 of Rene's SPUP supporters overthrew Mancham, who was visiting London, and installed Rene at the head of a new government. Rene dismissed the parliament, suspended the Constitution, and governed by decree until a new Constitution promulgating a one-party state was adopted in 1979. The SPUP was abolished and replaced by the Seychelles People's Progressive Front (SPPF). Rene continued to serve as party president following his election to his first five-year term as President of Seychelles in 1979. [ ]

25X1 During the early years of his regime, Rene attempted to adapt socialist principles to Seychelles' political development needs. According to US Embassy reporting, he believes that people are "socialist" by nature, and his governing style reflects more a blend of 33 34

25X1 questions, some foreign journalists privately criticized him for evading questions on internal repression and the number of North Korean troops stationed in Seychelles. [ ]

**Domestic Image.** Rene also has moved to enhance his domestic image by giving the appearance of greater

political tolerance. He has promised both to allow religious leaders freedom of speech and to initiate a dialogue with the influential and outspoken Catholic Bishop of Victoria, ostensibly to stay informed on popular grievances. [ ] 21

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25 The President also has sought to alleviate popular concerns over Soviet influence. His public claims of unflagging opposition to foreign military facilities in Seychelles, although couched in terms meant to appeal to the West, are also intended to impress his domestic audience by hinting that he will not move too close to Moscow. He has pointed out that Seychelles receives economic assistance from Western Europe, the United States, and several Arab states in addition to military assistance provided by the Soviet Union. In addition to the continued operation of the US Air Force satellite tracking station, Rene has used an agreement made in 1984 with the British Broadcasting Corporation to establish a relay station in Seychelles as an example of significant Western involvement in the country. [ ]

22 the government intends to establish 20 cooperatives and 10 state farms, in an attempt to promote "noncapitalist" means of production, and the price of agricultural exports will be determined by the Seychelles Marketing Board. Limited private investment in some sectors of the economy will be allowed, although the US Embassy reports that the government's decision in March 1985 to retain the monopoly on exploration and trading of all petroleum products sent a disturbing signal to the private sector that the government intends to limit private investment as much as possible. No private investment will be allowed in the fishing sector, for example, which ranked second to tourism as a revenue-producing industry in 1984. [ ] 23

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#### Economic Remedies

10 In an attempt to generate public support for the regime, Rene is touting prospects for significant economic progress under an ambitious and politically risky 1985-89 national development plan. Seychelles Government studies estimate that close to 90 percent of the projected \$400 million allocated for the plan must be generated from foreign sources, either as loans or grants. The US Embassy reports that approximately one-half of the total funds are to be invested in ways that will reduce imports and promote greater economic self-sufficiency in agriculture, light manufacturing, fishing, and tourism-related industries. In an effort to deal with public concerns about unemployment, the government has publicized its intention to create 4,000 new jobs in 1985 and 1,400 new jobs annually through 1989. According to the five-year plan, most new jobs will be created as the government moves to develop agricultural cooperatives and small-scale labor-intensive industries. [ ] 22

In a preliminary assessment of the national development plan, officials of the International Monetary Fund applauded the government's intention to expand fishing and agriculture, in addition to tourism. They were skeptical, however, that the five-year economic plan is feasible as presently formulated, particularly in its intended financing of up to 90 percent of the \$400 million outlay through foreign loans and grants. [ ] 10

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#### Bolstering Internal Security

We believe that last September's military coup plotting has prompted Rene to accelerate his efforts to reduce the influence of Defense Minister Berlouis. US Embassy reporting indicates that Rene has either assumed personally or assigned to Michel responsibilities that otherwise would fall to the Defense Minister, including command of the Presidential Guard unit and the police. [ ] 4

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10 The national development plan also calls for a significant expansion of the state's role in an effort to centralize the economy—a trend that may further undermine Rene's efforts to garner popular support. It already has generated criticism of the cumbersome state marketing boards and regulated private agricultural production. Under the national development plan, the government is vesting broad regulatory powers in the Seychelles Marketing Board—the primary state agency for controlling imports, exports, and distribution. According to US Embassy reporting,

The US Embassy reports that, after the 30 September crisis, Rene also intensified efforts to bring up to strength a 1,000-man civilian militia composed of party members. This unit, which is led by Michel, will be equal to the Army in size, and Rene probably believes that it will serve as an alternative—and presumably loyal—force to help deter internal opposition activity. Despite these moves against him, Berlouis thus far has made no countermoves, perhaps 4

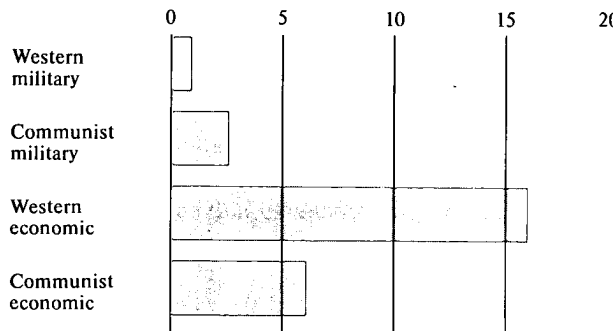
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**Figure 3** 10 33  
**Seychelles: Western and Communist Assistance, 1984**

Million US \$



Note: Communist military assistance does not include North Korean military advisers.

We believe, however, that Rene is reluctant to rely completely on Communist nations for military assistance, in part because this would detract from the image of nonalignment he is attempting to project.

According to US Embassy reporting, Australia may provide some naval, air, and police training.

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believing that Rene ultimately will be constrained by a reluctance to further antagonize the Army, whose general support Berlouis commands.

Rene's steps to ensure his security go beyond reducing the power of potential rivals. We believe, on the basis of US Embassy reporting, that it is Rene's distrust of his armed forces and suspicion of Western support for the exiled dissident group, the Mouvement Pour la Resistance,<sup>1</sup> that has led him to rely more heavily on the Soviet Union and, more recently, North Korea, to bolster internal security. Rene's dependence on their support to augment the military has increased since the withdrawal of the Tanzanian troops in August 1984. Unlike the Tanzanian troops, however, the North Koreans stay out of public sight and their presence has not as yet aroused significant popular opposition.

<sup>1</sup> See appendix B for further information on the Mouvement Pour la Resistance.

### Prospects

In our view, prospects for stability in Seychelles are contingent upon Rene's ability to strike a balance between satisfying the country's economic needs—which Rene apparently believes depends on his projecting a more moderate image to the West—and his security requirements, which depend in large measure on the support of the East. We believe that Rene increasingly will attempt to maneuver between the West and East, depending on which element he views as posing the greatest threat to his hold on power at a given point in time. Such reactive maneuvering will generate an erratic political course and make him vulnerable to criticism from both the rightwing exile opposition and the domestic left. Over the next year or so, however, we believe that Rene has a better-than-even chance of holding on to power.

### Short-Term Outlook

Rene probably will work to accommodate Western interests in Seychelles in an effort to attract economic assistance to help finance the five-year development

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plan. He almost certainly views the continued operation of the US tracking station as vital to the economy, especially since the Embassy reports that his hopes of discovering oil as a potentially lucrative source of revenue have been eliminated with the decision in February by a major Western oil company to cease oil exploration after seven years of unsuccessful operations. ☐

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In our judgment, Rene's greatest asset in maintaining his hold on power is the disarray of both his domestic and external opposition. To minimize the chances for unified challenges to his leadership, Rene probably will continue to foster political infighting among his ministers; for example, he most likely will support Michel in further attempts to usurp Berlouis' authority in security affairs. Contrary to the public image of political moderation Rene is attempting to project, we believe that his continuing preoccupation with his own security will probably lead him to increase the pace and scope of measures designed to help him hold on to power and control his internal opposition. ☐

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We expect recurring periods of domestic tension, possibly resulting in antiregime activities similar to the public demonstrations last September or the military coup plotting uncovered in May. The military will remain restless as long as Rene continues to ignore its grievances. Popular dissatisfaction over government moves to centralize the economy almost certainly will continue to fester, and Rene still must contend with rising unemployment among the increasingly disenchanted youth. Furthermore, the outcome of the protracted trial of last September's demonstrators—who, US Embassy officials say, retain considerable popular support—will almost certainly have an impact on Rene's leadership standing and may increase internal tensions. An acquittal might encourage opponents to risk antigovernment demonstrations, while harsh sentences would undermine the more moderate public image he would like to project. ☐

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We still believe that the exiled opposition poses little threat to the regime. Rene, however, will continue to worry over the exiles' ability to exploit domestic turmoil and to destabilize his regime by using a combination of democratic propaganda and the threat of mercenary invasion. Rene also will worry that

former Foreign Minister Ferrari—presently working in Nairobi for the United Nations—will join forces with the exiled opposition and use his moderate image to solicit support from Western governments in overthrowing the regime. ☐

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We believe Rene's perpetual security concerns will reinforce his inclination to look to the Soviet Union and other Communist nations to meet most of Seychelles' security needs. The Soviets almost certainly will respond with continued offers of military training and equipment. We believe, however, that Rene will be unwilling to risk the loss of Western economic assistance by granting Moscow more than the periodic naval visits and landing rights for military transport aircraft now permitted. Rene's mistrust of his armed forces will prompt him to retain for the foreseeable future the North Korean military advisers, although, in our view, he is unlikely to ask for a substantial increase in their number for fear of provoking a domestic backlash. ☐

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#### Alternative Scenarios

Rene runs some risk even in the near term that a miscalculation—moving forward too quickly with unpopular economic reforms, adopting increasingly authoritarian measures to contain internal opposition, or alarming a subordinate by moving too blatantly to undercut the power base of potential rivals—could prompt a move against him. We believe that Rene's continued manipulation of the military—still the only element of Seychellois society with the strength, if not the coherence and will, to stage a coup—poses the most significant threat to the stability of the regime. The North Korean presence notwithstanding, several coup scenarios are at least feasible. ☐

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**A Junior Officer Military Coup.** We judge this to be the most likely coup scenario, prompted by frustration among junior and noncommissioned officers over unresolved grievances. For any reasonable chance for success, such a move would have to erupt spontaneously or with only minimal formal planning; otherwise, Rene's increased vigilance over Army activities

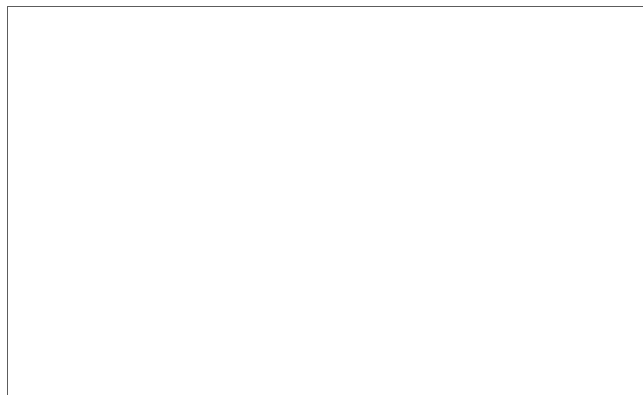
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25 would almost certainly enable him to foil the plotters at an early stage. To achieve its objectives, the military most likely would seek to capitalize on a high degree of popular antigovernment sentiment prompted by any of the following issues: Rene's growing authoritarianism, a decline in economic conditions, or an unfavorable popular reaction to a noticeable shift toward Moscow. Under circumstances of increased tensions, the disgruntled troops probably would take advantage of domestic instability—antigovernment demonstrations or strikes—either to provoke a popular uprising or seize power directly under the pretext of restoring internal order. ☐

#### Implications for the United States



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25X1 *A Senior Officer Military Coup.* The five majors who hold the senior, seemingly privileged, military positions in the regime are, in our view, far less likely than the junior officers to work against Rene. We believe, however, that, if Rene continues to ignore disaffection in the military, the three majors who, Embassy officials say, are not personally loyal to Rene may attempt a preemptive coup to stave off disgruntled subordinates and preserve their own hold on power. Defense Minister Berlouis would be a key figure to assume power in this scenario but, as Rene's most prominent rival, would be chary of taking a leading role in coup plotting for fear of arousing Rene's suspicions further. We believe that Berlouis will continue his efforts to cultivate Rene's trust but, at the same time, almost certainly will attempt to retain his influence with the disaffected troops. ☐

Rene's inclination to look to Moscow and its allies for increased security assistance over the short term will be tempered somewhat by his continuing dependence on the economic benefits and the veneer of nonalignment afforded him by the presence of the US tracking station facilities. In our judgment, a US decision to remove the tracking station from Seychelles once the lease expires would be highly unpopular with the Seychellois and would be widely regarded as a sign of diminished Western confidence in the regime that could prompt Rene to adopt more authoritarian measures to preserve his position. The Soviet Union probably would move quickly to exploit any reduction of US influence and, despite popular anti-Soviet sentiment, might tempt Rene with offers of economic and security benefits in return for Soviet military access to local air and port facilities. ☐

25X1 *External Threat.* The exiled opposition might mount another attempt to remove Rene from power—possibly a mercenary invasion patterned after the failed attack of November 1981—although the well-armed North Korean contingent guarding the airport is an impressive deterrent. We believe that this scenario is the least likely, based on our assessment of the exiles' limited resources and the difficulties in mounting a conventional assault on the main island of Mahe. We do not rule out, however, an attempt by the exiles to assassinate Rene and exploit the chaos from the power vacuum to assume control of the government. ☐

Military insurrection or a coup, however, would almost certainly set off a power struggle, which most likely would result in a regime, at least initially, more oriented toward Moscow. An inexperienced military government probably would seek to limit Western influence in a bid for increased Soviet security assistance to maintain its hold on power. We believe, however, that the prospects for significant Soviet

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influence with a new military regime would be diminished if Berlouis assumed control. In our judgment, Berlouis' opportunistic nature and his previous government experience make him more likely to continue Rene's ostensibly nonaligned policies.

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25 Alternatively, albeit far less likely, a successful effort by the exiled opposition to topple the regime could bring to power pro-West leaders who probably would interpret popular anti-Soviet sentiment as a mandate to reduce ties to the East while working to facilitate Western interests in Seychelles.

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## Appendix A

## Key Military Figures

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**Col. Ogilvie Berlouis**

Minister of Youth and Defense

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Regarded by Rene as greatest rival for power . . . also serves as Army commander  
 . . . has full responsibility over both internal and external security [redacted] 6

[redacted] . . . secondary  
 [redacted] . . . dark-skinned 25X1  
 mulatto, about 34 years old. [redacted] 39

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**Lt. Col. James Michel**

Army Chief of Staff

Completely loyal to and trusted by Rene . . . unofficially second-highest-ranking  
 government official . . . also serves as Minister for Education and Information and  
 party deputy secretary general . . . in charge of developing civilian militia . . .  
 avowed socialist, popular among party's vocal leftists . . . [redacted] 25

[redacted] . . . secondary education . . . light-skinned 25X1  
 mulatto, about 40 years old. [redacted]

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**Maj. Rollie Marie**

Chief of Presidential Security

Director of Seychelles Intelligence Service

Loyal to and trusted by Rene . . . in charge of 30-man bodyguard unit of the  
 Army's presidential protection force at L'Exile presidential residence; [redacted] 25X1

[redacted] . . . former  
 police official with little formal education or training . . . [redacted] 25X1  
 [redacted] . . . about 37 years old. [redacted]

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**Maj. Phillip Lucas**  
Commander of People's Militia

Loyal to Berlouis . . . former commander of Point Larue Army camp [redacted]

38

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[redacted] . . received military  
training in Tanzania . . . black, about 35 years old. [redacted]

39

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**Maj. Raymond Bonte**  
Executive Officer at Point Larue Army camp

Loyal to Berlouis, pro-Western . . . [redacted]

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[redacted] . . for-  
mer taxi driver, received paramilitary training in Tanzania . . . black, about 34  
years old. [redacted]

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**Maj. Macdonald Marengo**  
Commander of Point Larue Army camp

38

A supporter of Berlouis . . . replaced Bonte at Point Larue in November . . . re-  
garded as a competent commander . . . [redacted]

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[redacted]  
skinned mulatto, about 40 years old. [redacted]

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**Maj. Claude Vidot**  
Commander of the Presidential Guard

Commander of 125-man unit stationed at presidential residence at L'Exile . . .

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[redacted] . . white, about 48 years old. [redacted]

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## Appendix B

### Profile of the Opposition

The Mouvement Pour la Resistance (MPR) operates out of London and, according to US Embassy reporting, is backed by a small group of supporters residing in the United Kingdom, North America, Australia, and Mauritius. The movement openly espouses a democratic political system, a free market economy, and a nonaligned foreign policy; its leaders are longtime opponents of Rene who fled into self-imposed exile during the early years of his regime. Based on Embassy reporting, we believe that the group has a small number of supporters on Seychelles, but their activity appears to be confined largely to distributing the slick propaganda newsletters published by the MPR in London and minor acts of economic sabotage. Despite previous efforts to organize at least two mercenary-backed coup attempts, the Embassy points out that the MPR thus far has been unable to topple Rene by force. The movement poses little threat to Rene's regime, in our view, largely because his intelligence network has penetrated the MPR London leadership, although opposition threats of assassination and mercenary invasion continue to alarm Rene.

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#### Gerard Hoareau

Leader of opposition movement . . . former Seychelles Government official, implicated in 1979 coup attempt . . . detained for several months, then immigrated to South Africa and the United Kingdom . . . avowed anti-Communist . . . former student for the priesthood at the Vatican . . . white, about 34 years old.

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#### Paul Chow

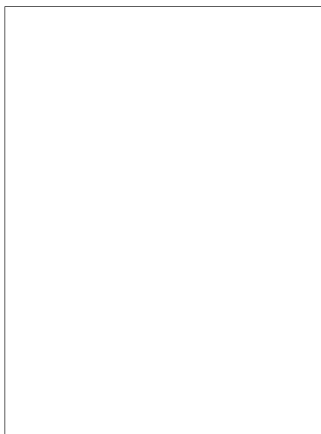
Spokesman for foreign affairs . . . former journalist, held without trial by government for several months in aftermath of 1979 coup attempt . . . immigrated to London in 1980 . . . travels often to obtain offers of financial and political support for opposition . . . most recently in United States in 1984 . . . white, about 33 years old.

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**James Mancham**

Flamboyant first president of Seychelles, deposed by Rene in 1977 . . . has resided in London . . . figurehead leader of exiled opposition until he accepted British citizenship and was dropped from membership . . . mixed Chinese-Creole heritage, about 45 years old.

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